



Annual General Meeting  
Ellex Medical Lasers Ltd  
2 November 2006

# Closer to the customer

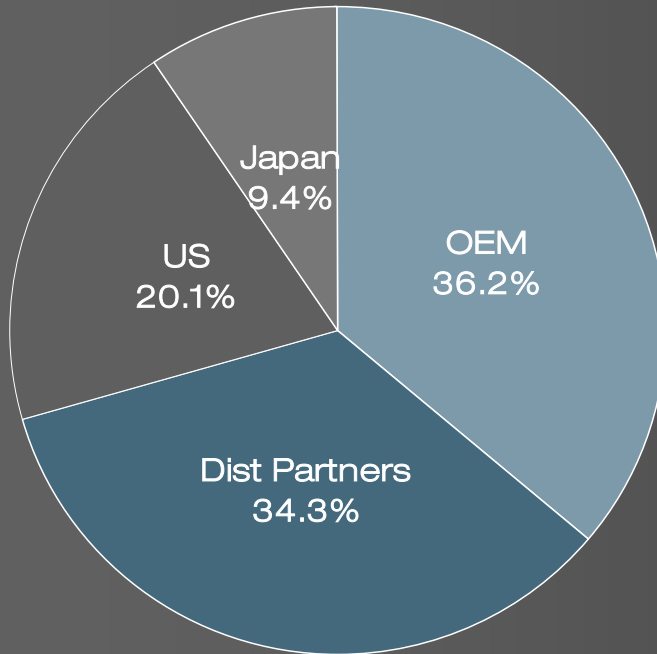
Ellex transitioned from reliance on OEM to direct sales and marketing in FY2006.



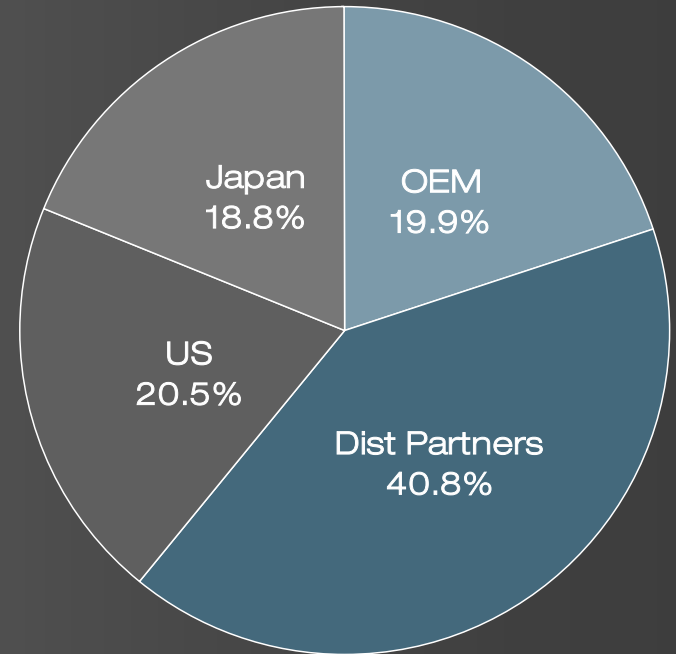
ellex.

# Revenue Contribution by Region

## FY05



## FY06



# Our Available Market Today

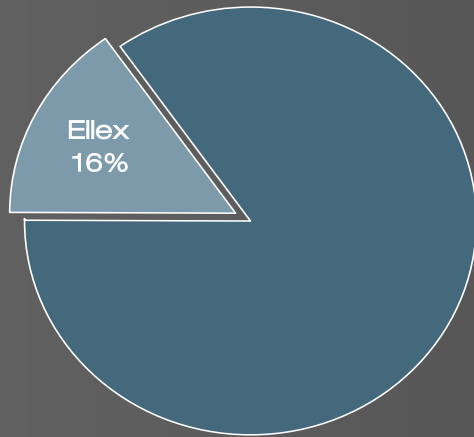
A\$260 million in lasers for eye surgery

- Surgical lasers to treat cataract, glaucoma and retinal conditions
- Primary tools for ophthalmologists to provide today's standard of care
- Age related diseases, on the rise due to age demographics and lifestyle changes

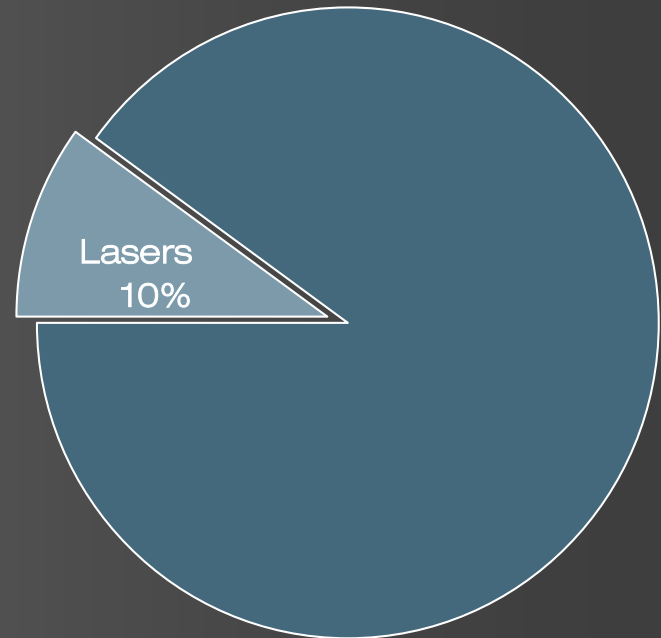


“We see market leadership in ophthalmic lasers as a platform for further growth in the A\$2.6 billion ophthalmic device market.”

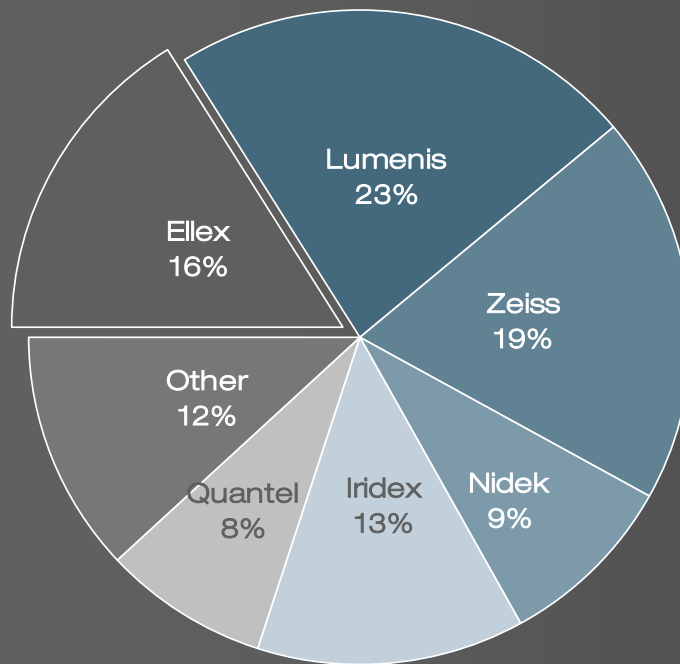
A \$260 million  
Ophthalmic Laser Market



A \$2.6 billion Ophthalmic  
Device Market



“Ellex is gaining share against competitors due to our strong new brand, new product line, and improved channel to market.”



### Ellex is unique

- Ophthalmic laser focus
- Newest product line
- Most integrated designs

### Competition focused elsewhere

- Lumenis on aesthetic
- Zeiss on refractive
- Nidek on refractive
- Quantel on non-medical
- Iridex on disposables

# FY06 Turning Point

## Strategic Initiatives

- Introduced the new “Ellex” brand
- Further expanded the Ellex product line
- Strengthened our own channel to market

## Strong Financial Results

- 28% growth in revenue to \$34.6M
- 221% growth in NPAT from operations to \$2.0M
- NPAT of \$3.7M including sale of building
- Ellex brand revenue up 61%, now 80% of mix

# FY06 growth was broad-based with share gains in all key markets

## Japan (+157%)

Profitable in 2H

Now 19% of total

## Americas (+31%)

US direct sales start

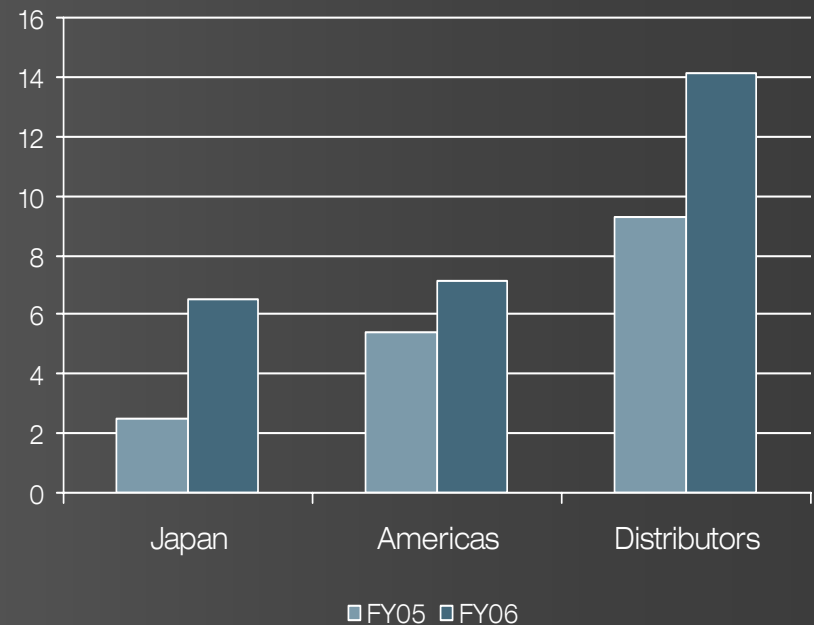
Entered Mexico

## Distributors (+52%)

New Asia sales VP

Europe resources added

Ellex Revenue in millions AUD





# FY06 growth also based on new products

- Robust R&D activity continues, funded at 10% of revenue
- 66% of Ellex sales from new products released in past 3 years
- 5 of 7 products in the line have been released in the past 3 years

## cataract photodisruption



Super Q



Ultra Q

## retina photocoagulation



Solitaire



Integre



Integre Duo

## glaucoma SLT photoregeneration



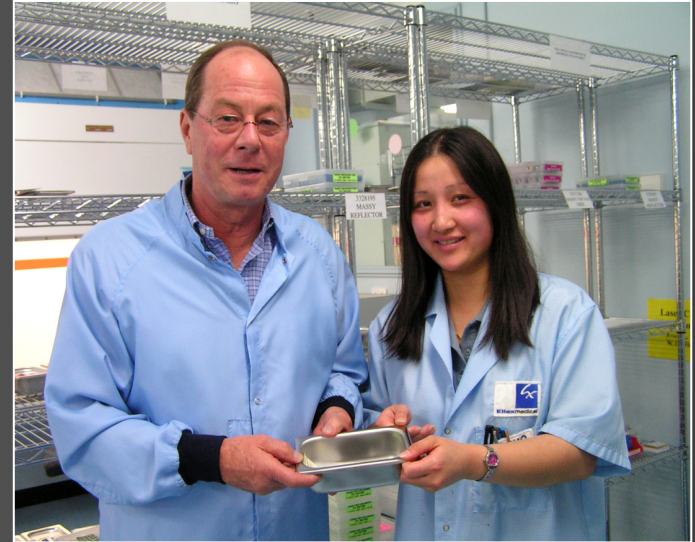
Tango



Solo

# Growth in capacity through efficiencies

- Invested in manufacturing
- Recent appointment of Dr. Herbert Pummer as VP of Operations
- Focus on adding capacity and improving efficiency as volumes continue to increase



# Ellex Acquired Coherent Lasers (Australia) Pty. Ltd.

- Direct sales in Australia and New Zealand
  - Ellex positioned to be leader in our home market
  - Sales of Ellex and 3<sup>rd</sup> party ophthalmic products
- Will bring factory in direct contact with users
- Brings to Ellex Coherent's market knowledge and customer relationships built over 20 years
- Cash outlay not material to Ellex
  - 3 year growth based earn-out for Coherent team

# Financial Highlights

- NPAT from ongoing Operations up 221% to \$2.0 million
- NPAT \$3.7 million including sale of building
- Revenue from Ordinary Operations up 28% to \$34.5 million
- Ellex brand revenue up 61% on prior year
- Own brand revenue 80% of total revenue
- Inventory turn improved from 1.3 to 1.7

# Outlook FY07

- 15% growth in revenue
  - Less than 10% OEM
- Improved profitability
- Operational priorities:
  - Expand North American sales
  - Appoint VP of business development
  - Acquire new products / technology
  - Add distribution products for Australia sales
  - Appoint new Asia distributor manager

# Longer term strategy

- Continue to grow core business to become the leading ophthalmic laser company
- Market leadership in ophthalmic lasers is a platform for further growth in the A\$2.6 billion ophthalmic device market
- Ellex advanced research and business development resources are working now to identify opportunities to leverage the Ellex brand and channel to market beyond lasers